C3150-6

The Dun & Bradstreet Corporation

NEWS

For Broadcast On or After
6 p.m. Monday, Aug. 28;
For Editions On or After
Tuesday, Aug. 29.

Contact: Reid H. Gearhart, (212) 593-6727
Dina Silva-Decker, (212) 593-4164

BUSINESS FAILURES DROP SHARPLY IN FIRST SIX MONTHS OF 1989

NEW YORK, Aug. 29--Posting the most significant decline in more than 10 years, business failures fell 14.5 percent in the first six months of 1989, according to The Dun & Bradstreet Corporation.

"The steady decline in business failures across the country underscores the overall stability of the U.S. economy and offers further support for the 'soft-landing' scenario," said Joseph W. Duncan, corporate economist and chief statistician of D&B.

Duncan noted that the decrease in business failures is a continuation of the trend begun in 1987, which reflects improvements in the nation's weakest regions, as well as overall stability.

Failures were down substantially in seven of the nine U.S. census regions. Only the South Atlantic states reported a significant increase in business bankruptcies.

The only industry sector to report an increase in the

-MORE-

first six months of 1989 was the finance, insurance and real-estate sector, where failures rose 11.7 percent to 1,431 from 1,281 in the same period last year.

"The troubled savings and loan industry, as well as stress in the real-estate sector, contributed to the increase in finance, insurance and real-estate failures, particularly in the East North Central, Mountain and Pacific states," said Duncan.

Mining failures were down 25.4 percent to 182 from 244, and agriculture failures fell 23.5 percent to 812 from 1,061. The mining and agriculture industries reported high levels of bankruptcies in the past few years because of the depressed oil industry and the rush of farmers to reorganize after the introduction of Chapter 12 to the bankruptcy code in November 1986.

"Both the mining and agriculture sectors reached turning points prior to 1989, and the downward trend is continuing to accelerate," said Duncan.

Duncan noted that the shakeout following the entrepreneurial boom earlier in this economic expansion has clearly subsided, as services bankruptcies dropped 23.8 percent to 9,571 in the first half of 1989 from 12,562 in the same period last year.

Wholesale-trade failures decreased 23.0 percent to 1,841 from 2,391; manufacturing failures fell 15.5 percent to 1,918 from 2,270; and retail-trade failures dropped 6.8 percent to 5,621 from 6,032. Business failures in the construction industry fell slightly to 3,490 from 3,508.

Regional trends

During the first half of 1989, failures dropped substantially in the Middle Atlantic states, falling 29.2 percent to 1,923 from 2,717 in the same period last year. In particular, failures in New Jersey and New York plummeted.

"During the first half of 1988, failures rose in New York and New Jersey, due in part to the stock-market crash in late 1987 and the subsequent stress in related industries," noted Duncan.

In New Jersey failures decreased 49.5 percent, to 267 from 529, and in New York they were down 38.5 percent to 891 from 1,448 last year. Pennsylvania reported a slight increase, up 3.4 percent to 765. Significant decreases occurred in every industry sector, with the wholesale-trade, manufacturing and services industries reporting decreases of between 56 and 17 percent.

The largest percentage decrease occurred in the agricultural states of the West North Central region, down 31.3 percent, to 1,582 from 2,304 in the first six months of 1988. Failures decreased in all seven states and in every industry sector. Minnesota reported the sharpest decrease, down 53.5 percent to 140 from 301. Nebraska, North Dakota, Missouri, Kansas and Iowa reported decreases of between 20 and 45 percent.

Failures in South Dakota fell slightly to 80 from 83. Agriculture, retail-trade and services failures dropped sharply, with decreases ranging from 63.0 percent to 18.4 percent.

-MORE-

Failures in the oil states of the West South Central region fell 25.2 percent to 4,328 from 5,788.

"After significant increases in business bankruptcies from 1984 to 1987, due to stress in the oil sector, failures in the West South Central states reached a turning point in 1988 and are now continuing to decline, particularly in Texas," said Duncan.

Failures in Texas fell significantly during the first half of 1989, down 33 percent to 2,797 from 4,174. Arkansas reported a decrease of 9.2 percent, to 158 from 174, and Louisiana showed a decline of 6.6 percent to 763 from 817. Failures in Oklahoma decreased slightly to 610 from 623.

Mining failures in the West South Central states fell 36.7 percent, to 88 from 139, and services failures dropped 39.9 percent, to 1,458 from 2,425.

The Mountain states reported a 16.5 percent decrease in failures, down to 2,458 from 2,945, due in large part to a 34.4 percent decrease in services failures. However, failures in the finance, insurance and real-estate industry increased 22.8 percent to 178 from 145. Failures in Colorado, Idaho, Wyoming, Utah and Nevada fell between 25 and 45 percent, while failures increased 10.3 percent in Arizona and 33.1 percent in New Mexico to 213.

While failures have continued to decrease in many of the weakest regions, bankruptcies increased in the South Atlantic states, one of the areas that led the current expansion.

-MORE-

Failures in the region rose 10.2 percent to 4,024 from 3,651, largely driven by a sharp rise in failures in Georgia where they were up 50.1 percent to 1,147 from 764.

"The current trend in Georgia is partly attributable to fallout after high levels of entreprenuerial activity in and around Atlanta," noted Duncan.

Failures in Florida were up 12.7 percent to 1,581 from 1,403, and in Virginia failures rose 26 percent to 572 from 454. Failures increased in every industry, with the exception of the manufacturing, the wholesale trade and the transportation and public utilities sectors.

Failures in the East North Central states increased slightly to 4,718 from 4,675, largely driven by gains in Illinois and Michigan, while Wisconsin and Ohio reported decreases. On an industry basis, failures in the region were mixed with retail-trade failures up 15.5 percent and manufacturing, wholesale-trade and services failures showing declines in the 12 to 16 percent range.

Failures in the Pacific states declined 15.4 percent to 5,329 from 6,297. Failures fell in all five states in the region, with California reporting a decrease of 14.9 percent to 4,175 from 4,905. Failures in the services sector were down 31.6 percent, but failures increased 47.8 percent in the finance, insurance and real-estate sector.

In the East South Central states failures decreased 18.7 percent to 1,408 from 1,732. Failures were down in Alabama,

Kentucky and Tennessee, while bankruptcies in Mississippi increased slightly to 286 from 277. Failures fell in every industry, except the finance, insurance and real-estate sector which posted an increase of three to 53. Failures in the New England states fell 21.1 percent to 464. Maine was the only state to report an increase in business failures, with 45 compared to 43 in the same period last year.

The Dun & Bradstreet Corporation is the world's largest marketer of business information and related services, with worldwide revenue of $4.3 billion in 1988.

(See Attached Tabular Data)

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by States and Regions
First six months 1988 vs. first six months 1989*

	1988		1989		% Change	
	Firms	Liabilities	Firms	Liabilities	Firms	Liabilities
NEW ENGLAND	588	382,905,902	464	1,094,091,030	-21.1%	185.7%
Maine	43	5,359,061	45	10,183,769	4.7%	90.0%
New Hampshire	89	9,095,630	53	14,993,618	-40.4%	64.8%
Vermont	25	2,558,463	19	4,262,667	-24.0%	66.6%
Massachusetts	308	353,320,464	259	1,039,073,057	-15.9%	194.1%
Connecticut	95	5,577,761	65	21,436,410	-31.6%	284.3%
Rhode Island	28	6,994,523	23	4,141,509	-17.9%	-40.8%
MIDDLE ATLANTIC	2,717	3,678,461,242	1,923	1,369,609,989	-29.2%	-62.8%
New York	1,448	975,383,188	891	800,599,134	-38.5%	-17.9%
New Jersey	529	1,561,003,100	267	292,078,656	-49.5%	-81.3%
Pennsylvania	740	1,142,074,954	765	276,932,199	3.4%	-75.8%
EAST NORTH CENTRAL	4,675	1,350,669,106	4,718	1,073,211,415	0.9%	-20.5%
Ohio	1,019	245,935,098	905	231,752,136	-11.2%	-5.8%
Indiana	483	415,621,024	484	81,985,167	0.2%	-80.3%
Illinois	1,672	425,859,488	1,875	426,860,074	12.1%	0.2%
Michigan	917	193,441,553	1,061	293,924,672	15.7%	51.9%
Wisconsin	584	69,811,943	393	38,689,366	-32.7%	-44.6%
WEST NORTH CENTRAL	2,304	1,002,871,657	1,582	315,543,611	-31.3%	-68.5%
Minnesota	301	125,880,616	140	48,308,658	-53.5%	-61.6%
Iowa	395	165,279,579	313	71,905,880	-20.8%	-56.5%
Missouri	810	329,011,057	551	64,189,206	-32.0%	-80.5%
North Dakota	86	22,974,113	58	11,803,414	-32.6%	-48.6%
South Dakota	83	4,250,575	80	6,798,056	-3.6%	59.9%
Nebraska	177	98,481,330	97	10,938,549	-45.2%	-88.9%
Kansas	452	256,994,387	343	101,599,848	-24.1%	-60.5%
SOUTH ATLANTIC	3,651	1,691,114,205	4,024	1,192,844,442	10.2%	-29.5%
Maryland	257	123,131,109	122	28,988,510	-52.5%	-76.5%
Delaware	42	26,899,854	22	41,713,123	-47.6%	55.1%
District of Columbia	39	10,439,835	23	1,517,607	-41.0%	-85.5%
Virginia	454	94,369,371	572	140,266,150	26.0%	48.6%
West Virginia	116	30,295,284	88	28,712,298	-24.1%	-5.2%
North Carolina	370	53,629,907	371	121,814,772	0.3%	127.1%
South Carolina	206	9,403,614	98	5,789,085	-52.4%	-38.4%
Georgia	764	196,253,813	1,147	270,949,675	50.1%	38.1%
Florida	1,403	1,146,691,418	1,581	553,093,222	12.7%	-51.8%

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by States and Regions
First six months 1988 vs. first six months 1989*

	1988		1989		% Change	
	Firms	Liabilities	Firms	Liabilities	Firms	Liabilities
EAST SOUTH CENTRAL	1,732	526,418,370	1,408	329,506,563	-18.7%	-37.4%
Kentucky	390	98,498,387	332	64,731,284	-14.9%	-34.3%
Tennessee	688	309,483,943	593	179,007,811	-13.8%	-42.2%
Alabama	377	60,497,176	197	31,675,509	-47.7%	-47.6%
Mississippi	277	57,938,864	286	54,091,959	3.2%	-6.6%
WEST SOUTH CENTRAL	5,788	6,600,716,663	4,328	4,631,356,610	-25.2%	-29.8%
Arkansas	174	40,722,324	158	44,188,722	-9.2%	8.5%
Oklahoma	623	803,414,798	610	316,890,222	-2.1%	-60.6%
Louisiana	817	977,632,862	763	1,044,088,643	-6.6%	6.8%
Texas	4,174	4,778,946,679	2,797	3,226,189,023	-33.0%	-32.5%
MOUNTAIN	2,945	1,375,387,269	2,458	2,529,087,733	-16.5%	83.9%
Montana	121	44,837,829	97	17,980,857	-19.8%	-59.9%
Idaho	194	282,231,867	140	17,728,057	-27.8%	-93.7%
Wyoming	115	28,045,175	68	10,665,961	-40.9%	-62.0%
Colorado	1,163	458,652,693	857	493,019,514	-26.3%	7.5%
New Mexico	160	22,914,961	213	52,494,248	33.1%	129.1%
Arizona	710	420,798,102	783	1,894,885,258	10.3%	350.3%
Utah	315	63,446,096	176	397,587	-44.1%	-99.4%
Nevada	167	54,460,546	124	41,916,251	-25.7%	-23.0%
PACIFIC	6,297	3,038,234,013	5,329	5,033,585,722	-15.4%	65.7%
Alaska	168	61,984,534	106	915,249,177	-36.9%	1376.6%
Hawaii	106	121,995,169	81	12,880,785	-23.6%	-89.4%
Washington	843	184,314,701	741	126,774,941	-12.1%	-31.2%
Oregon	275	61,928,226	226	39,081,358	-17.8%	-36.9%
California	4,905	2,608,011,383	4,175	3,939,599,461	-14.9%	51.1%
TOTAL	30,697	19,646,778,427	26,234	17,568,837,115	-14.5%	-10.6%

* Data for 1988 are final; 1989 figures are preliminary.

Source: The Dun & Bradstreet Corporation
Economic Analysis Department

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by U.S. Census Region by industry
First six months 1988 vs. first six months 1989*

Industry	New England			Middle Atlantic			East North Central			West North Central		
	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change
Agriculture/forestry/fishing	4	8	100.0%	36	24	-33.3%	193	160	-17.1%	362	134	-63.0%
Mining	0	0	0.0%	12	8	-33.3%	10	13	30.0%	12	5	-58.3%
Construction	85	76	-10.6%	339	312	-8.0%	526	656	24.7%	246	194	-21.1%
Manufacturing	85	66	-22.4%	352	195	-44.6%	385	337	-12.5%	116	95	-18.1%
Transportation & public utilities	33	21	-36.4%	144	91	-36.8%	212	244	15.1%	112	56	-50.0%
Wholesale trade	50	45	-10.0%	327	145	-55.7%	353	298	-15.6%	157	119	-24.2%
Retail trade	129	115	-10.9%	752	539	-28.3%	1,030	1,190	15.5%	462	317	-31.4%
Finance/insurance/real estate	15	18	20.0%	102	69	-32.4%	115	211	83.5%	91	53	-41.8%
Services	186	114	-38.7%	646	535	-17.2%	1,640	1,431	-12.7%	744	607	-18.4%
Nonclassifiable establishments	1	1		7	5		211	178		2	2	
Total	588	464	-21.1%	2,717	1,923	-29.2%	4,675	4,718	0.9%	2,304	1,582	-31.3%

Industry	South Atlantic			East South Central			West South Central			Mountain		
	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change	1988	1989	% Change
Agriculture/forestry/fishing	38	72	89.5%	72	57	-20.8%	139	135	-2.9%	91	63	-30.8%
Mining	19	24	26.3%	24	21	-12.5%	139	88	-36.7%	19	17	-10.5%
Construction	487	547	12.3%	245	182	-25.7%	720	575	-20.1%	318	327	2.8%
Manufacturing	269	269	0.0%	121	97	-19.8%	344	276	-19.8%	146	161	10.3%
Transportation & public utilities	130	123	-5.4%	79	60	-24.1%	140	160	14.3%	70	60	-14.3%
Wholesale trade	356	306	-14.0%	127	87	-31.5%	455	331	-27.3%	161	159	-1.2%
Retail trade	781	873	11.8%	393	345	-12.2%	1,034	836	-19.1%	537	526	-2.0%
Finance/insurance/real estate	162	183	13.0%	50	53	6.0%	392	357	-8.9%	145	178	22.8%
Services	1,408	1,620	15.1%	619	500	-19.2%	2,425	1,458	-39.9%	1,457	956	-34.4%
Nonclassifiable establishments	1	7		2	6		0	112		1	11	
Total	3,651	4,024	10.2%	1,732	1,408	-18.7%	5,788	4,328	-25.2%	2,945	2,458	-16.5%

THE DUN & BRADSTREET CORPORATION - Economic Analysis Department

Business Failures by U.S. Census Region by industry
First six months 1988 vs. first six months 1989*

Industry	Pacific 1988	1989	% Change	Total U.S. 1988	1989	% Change
Agriculture/forestry/fishing	126	159	26.2%	1,061	812	-23.5%
Mining	9	6	-33.3%	244	182	-25.4%
Construction	542	621	14.6%	3,508	3,490	-0.5%
Manufacturing	452	422	-6.6%	2,270	1,918	-15.5%
Transportation & public utilities	195	184	-5.6%	1,115	999	-10.4%
Wholesale trade	405	351	-13.3%	2,391	1,841	-23.0%
Retail trade	914	880	-3.7%	6,032	5,621	-6.8%
Finance/insurance/real estate	209	309	47.8%	1,281	1,431	11.7%
Services	3,437	2,350	-31.6%	12,562	9,571	-23.8%
Nonclassifiable establishments	8	47		233	369	
Total	6,297	5,329	-15.4%	30,697	26,234	-14.5%

* Data for 1988 are final; figures for 1989 are preliminary.

Source: The Dun & Bradstreet Corporation, Economic Analysis Department